James C. Morriss III Thompson & Knight LLP 1900 San Jacinto Center 98 San Jacinto Boulevard Austin, Texas 78701-4081

RE: Gulfco Marine Maintenance Superfund Site in Freeport Texas

Dear Mr. Morriss:

Thank you for your April 9, 2008 letter. I appreciate the efforts to date of [insert names of PRPs] in working toward the successful cleanup and reuse of the Gulfco Marine Maintenance Superfund Site (Gulfco Site). Toward that end, the Environmental Protection Agency (EPA) wants to work with the PRPs to, at a minimum, complete the work necessary to prepare the southern portion of the site for potential revitalization and possibly to have a construction completion for the entire Gulfco Site by the end of this fiscal year.

Along these lines, I recently met with senior representatives of the Office of Solid Waste and Emergency Response and the Office of Enforcement and Compliance Assurance to explore a path forward for both the contemplated removal action at the southern portion and completion of work at the entire site. As a result of this meeting, we envision the PRPs undertaking a) removal at the southern portion **under a removal**Administrative Order on Consent (AOC) and b) entering into a consent decree (CD) for the entire site. Upon completion of the removal, and In support of the Agency's revitalization goals, we EPA will consider partial deletion of the southern portion based upon the removal work and the remedial investigation (RI/FS). Concurrent with the removal work, the PRPs will expeditiously complete the RI/FS of the entire site, including full investigation of the groundwater. This overall commitment would be recorded in a CD and would include reimbursement of all past and future costs. We are hopeful that this effort could will lead to construction completion in this fiscal year.

To get this process started, we have developed a schedule for your prompt review, and we are expeditiously preparing a model CD (We previously sent you a draft AOC for the removal). Because progress is time-sensitive, we ask that you keep requested changes to the model CD and removal AOC to a minimum. I am enclosing the schedule EPA drafted that contemplates completing construction on the site by the end of this fiscal year taking into account all of EPA's internal requirements, all sampling data required for the Record of Decision in order to delete the site, and payment of all past and future costs. EPA is open to submittal of a schedule created by your client that achieves a construction completion by the end of this fiscal year. I encourage you to review the documents as a potential path forward.

I am excited about the potential for a construction completion of the Gulfco Site for the end of this fiscal year. If you share EPA's interest in completing the cleanup of the Gulfco Site by October 2008, please submit a schedule contemplating this

achievement or in the alternative submit your assent to the enclosed schedule. If you have any questions, please contact Barbara Nann, Gulfco Site attorney at 214-665-2157.

Samuel Coleman, P.E., Director, Superfund Division, (6SF)

Enclosure